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## Research Article

# CHALLENGES AND PROGRESS IN ADDRESSING POVERTY LEVELS IN UZBEKISTAN

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## ABSTRACT

Currently, the study of reducing poverty, increasing employment and welfare of the population is relevant not only at the global level, but also at one of the most important tasks for the economy of Uzbekistan. In 2022, the poverty level in the republic decreased from 17.0% to 14.0%, and 1 million citizens were lifted out of poverty. In achieving such results, the decisive factor is the ongoing systematic and thoughtful policy aimed at training the population in modern professions, creating decent jobs, and comprehensive support for entrepreneurship.

## KEYWORDS

Global level, economy, increasing employment, reducing unemployment, poverty level, improving the welfare of the population.

## INTRODUCTION

Uzbekistan, a country with a rich cultural heritage and diverse economy, has been facing significant challenges in addressing poverty levels among its

population. This article explores the key issues surrounding poverty in Uzbekistan, the current state of poverty alleviation efforts, and the

progress made in improving the well-being of its citizens.

The Challenge of Poverty. Poverty remains a pressing issue in Uzbekistan, with a considerable portion of the population living below the poverty line. Factors such as high unemployment rates, income inequality, lack of social protection mechanisms, and limited access to quality education and healthcare contribute to the persistence of poverty in the country. Rural areas, in particular, experience higher poverty rates compared to urban centers, exacerbating the disparities in living standards.

The Uzbek government has recognized the importance of addressing poverty as a priority and has implemented various social programs and policies to combat this issue. Initiatives focusing on job creation, social assistance programs, infrastructure development, and education reforms have been launched to uplift the living standards of vulnerable populations. Furthermore, collaborations with international organizations and donor agencies have been established to bolster the effectiveness of poverty alleviation measures.

## METHOD

To analyze the level of poverty in Uzbekistan, a set of methods was used, including analysis of statistical data, official reports of international organizations (for example, the World Bank), and research by local experts in the field of economics and sociology.

## LITERATURE REVIEW

The works of the following national scientists, such as Berkinov B.B., are devoted to the current state of macroeconomic stability, economic growth, structural and institutional reforms, explanation of the complexity and diversity of macroeconomic reality and understanding of what is happening with the economy of Uzbekistan. (2022), Makhmudov N.M. (2017), Askarova M.T. (2021), Kadyrov A.M., Akhdieva A.T. (2021).

In the domestic scientific literature, the problem of employment is also the object of close attention of many scientists. Among the significant scientists who contributed to the increase in employment of the population, one can name such scientists as Abdurakhmanov K.Kh. (2023),

Umurzakov B.Kh. (2021), Irmatova A.B. (2020) and others.

An analysis of the scientific works of these authors allowed us to conclude that it is necessary to develop theory and practice in the field of employment, where the issues of increasing the employment of youth and women in the context of using the potential of human capital will find their solution. This issue requires the development of appropriate mechanisms for planning and forecasting demand and supply in the labor market for young personnel, increasing their competencies through content education and professional training, which will increase their mobility and employment, and reduce unemployment.

## RESULTS AND DISCUSSION

Despite the challenges, Uzbekistan has made significant strides in reducing poverty levels in recent years. Economic reforms aimed at promoting growth and diversification, along with targeted anti-poverty programs, have yielded tangible results. The expansion of social safety nets, improvements in healthcare services, and investments in education have contributed to enhancing the socio-economic conditions of many

Uzbek citizens. Additionally, efforts to enhance financial inclusion and support entrepreneurship have empowered individuals to escape the cycle of poverty.

In Uzbekistan, the poverty rate fell from 24% in 2000 to 11% in 2023, resulting in 2.2 million people leaving the poverty line, according to the UN report on the poverty index in Uzbekistan for 2023.

About 18.4% of the adult population (4.2 million people) live below the poverty line. In compiling the poverty index, data played an important role, mainly on the level of education (13.7%), food security (11.7%) and sector informal employment (11.5%).

Among the sectors with low conditions, which are the basis for defining segments of the population as below the poverty line, the problematic sectors are sanitation (14%), banking (13.9%), education (13.2%), fuel (13%). The UN report notes that by all indicators, the largest share of the poor falls in Karakalpakstan (29.9%), Namangan region (27.5%) and Tashkent region (26.5%).

In remote and rural areas the rating is very low. The poverty index in major cities is said to

average 13.9%, while in relatively remote areas it is 23.2%.

Non-monetary indicators of well-being have also improved steadily over the past decade. Life expectancy increased more than 5 years between 2017 and 2022, thanks in part to a 39.0% decrease in maternal mortality and a 17.0% decrease in infant mortality. The proportion of households with safe drinking water increased from 67.0% to 87.0% between 2017 and 2022, and access to basic sanitation has been universal for more than a decade, according to official statistics.

As a pilot project, a comprehensive study of households in Namangan and Turakurgan districts was conducted, and a program of targeted measures for social and legal support, vocational training and employment of more than 4,700 women included in the "women's book" was developed, designed and executed. A number of positive steps are being taken in Namangan region to develop home-based work. In particular, in the first nine months of 2020, the gross regional product will reach 18 trillion.

Currently, the study of poverty reduction in conjunction with improving the quality of human capital is relevant at not only the global level, but also one of the most important tasks for the economy of Uzbekistan. The fight against poverty requires an integrated approach, which includes both measures of social support and protection of the population, as well as stimulating economic growth and creating opportunities for all segments of society.

One of the key aspects of poverty reduction is investing in human capital - education, healthcare, access to quality services, which helps improve the skills and employability of citizens.

#### Challenges Ahead:

While progress has been achieved, challenges persist in sustaining and building upon the gains made in poverty reduction. Proactive measures are needed to address persisting disparities, strengthen social protection systems, enhance job opportunities, and ensure inclusive growth across regions. The impact of external factors, such as global economic trends and climate change, also poses challenges to poverty eradication efforts in Uzbekistan.

## CONCLUSION

In conclusion, Uzbekistan continues to grapple with the multifaceted issue of poverty, but concerted efforts and strategic interventions have shown promising results in alleviating the plight of the most vulnerable segments of society. By prioritizing inclusive development strategies, investing in human capital, and fostering sustainable economic growth, Uzbekistan can further advance its goal of reducing poverty levels and improving the well-being of its populace. From the above analysis, we can draw an obvious conclusion that poverty hinders the development of human capital in the country and the economic activity of the population. Moreover, to reduce poverty and increase the employment rate of the population, the creation of charitable foundations or relief funds for poor citizens is a wrong solution and will have a short-term effect, on the contrary, most of the necessary measures for poverty reduction require a critical mass of high-quality educated people at different levels for comprehensive population development.

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